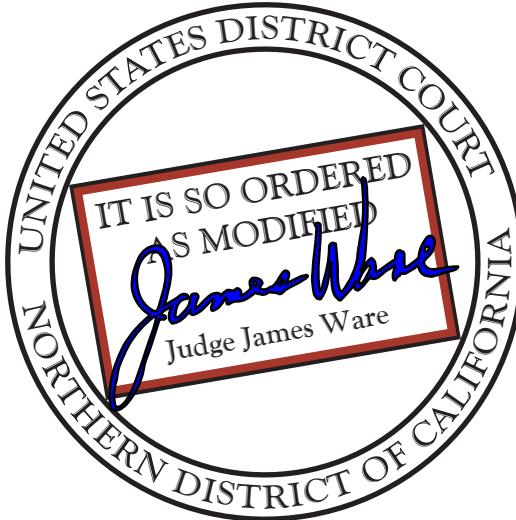


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8
IN THE UNITED STATES DISTRICT COURT FOR THE
 9
NORTHERN DISTRICT OF CALIFORNIA
 10
SAN JOSE DIVISION

UNITED STATES OF AMERICA,)	No. C-06-5397-JW
Plaintiff,)	
v.)	JOINT STATEMENT IN RESPONSE TO ORDER TO SHOW CAUSE RE SETTLEMENT
CAROL LINDSAY (aka CAROL LE MARQUAND); STATE OF CALIFORNIA, FRANCHISE TAX BOARD; COUNTY OF SANTA CRUZ, OFFICE OF TAX COLLECTOR,)	
Defendants.)	ORDER CONTINUING HEARING ON ORDER TO SHOW CAUSE RE: SETTLEMENT

19 This is an action to reduce to judgment certain outstanding income tax assessments for
 20 the tax years 1990 through 1995 made against defendant Carol Lindsay and to foreclose federal
 21 tax liens upon the real property located at 144 Getchell Street, San Jose, California. Ms. Lindsay
 22 had not filed her federal income tax returns for the years at issue. The tax assessments made
 23 against Ms. Lindsay for those years, as set forth in paragraph 10 of the Complaint, were based on
 24 Substitute for Returns.

25 Ms. Lindsay has agreed with both the IRS's and the FTB's calculations of the tax
 26 liabilities due and owing. She has paid the FTB tax liability. Ms. Lindsay intends to pay the IRS
 27 \$30,000 by May 29, 2008. This will leave approximately \$95,000 that she will still owe to the
 28 IRS. She will have to secure a loan to make the remaining payment.

1 Ms. Lindsay owns the real property that is the subject of the foreclosure action free of any
2 encumbrances other than the federal and/or local tax liabilities. So, she should be able to obtain
3 a loan. The government cannot dismiss this action until payment is received. The action was
4 filed because the statute of limitations on collection was expiring.

5 For the foregoing reasons, the parties recommend that this case be set for a further case
6 management conference in sixty (60) days.

7
8 Respectfully submitted,

9 JOSEPH P. RUSSONIELLO
United States Attorney

10 Dated: May 27, 2008

11 /s/ David L. Denier
DAVID L. DENIER
12 Assistant United States Attorney
Tax Division

13
14 Dated: May 27, 2008

/s/ David B Porter
DAVID B. PORTER
15 Attorney for Defendant
Carol J. Lindsay

16
17 Dated :May 27, 2008

BILL LOCKYER
Attorney General of the State of California

18
19 /s/ Randall P. Borcherding
RANDALL P. BORCHERDING
20 Deputy Attorney General
21 Attorneys for Defendant Franchise Tax Board

22 *** ORDER ***

23 Based on the parties' representations, the Court continues the Order to Show Cause hearing
24 currently set for June 2, 2008 to **September 15, 2008 at 9 a.m.** Although the parties have only
25 asked for a sixty day continuance, the Court is granting this extended continuance to
26 accommodate the parties' settlement efforts. Due to the age of the case, the parties shall use
this extended time judiciously and bring this case to a close. If a Stipulated Dismissal is not
filed on or before **September 5, 2008**, the parties shall file a Joint Status Report to the Order to
Show Cause on the same date.

27 Dated: May 29, 2008


28 JAMES WARE
United States District Judge